

業績及財務回顧

在香港經濟持續放緩，銀行業的經營仍屬相當困難的環境下，本銀行截至二〇〇一年十二月三十一日止年度之綜合溢利，經扣除稅項準備後為港幣八億四千五百八十二萬七千元，每股盈利為港幣三元六角四仙，較二〇〇〇年減少16.3%。溢利退減主要因為全年平均存貸比率下降，同業間劇烈競爭持續，令息差收窄，亦因年內香港跟隨美國減息十一次，不獨影響了信貸收入，銀行資本收益也大幅度降低。幸而利息支出在有效控制下亦有所減低，息差收窄稍獲舒緩。淨利息收入減少10.8%。

其他營業收入與二〇〇〇年比較減少3.1%，此因全球經濟下滑令股市低迷，從證券經紀業務及外匯交易當中所得利潤亦呈現相當跌幅所致。

營業支出上升9.2%主要因為所引進高智能櫃員平台系統的折舊，及為開拓信用咭業務擴大客戶基礎的推廣活動費用增加使然。

本銀行資產質素無大變化，年內不履行貸款十億零五千五百萬元，佔總放款的3.64%，與二〇〇〇年情況相若，呆壞賬撥備增加港幣二千四百萬元至港幣一億一千四百萬元。

本銀行綜合總資產與二〇〇〇年底比較下降1.6%，平均資產回報率為1.3%，平均股東資金回報率為11.7%，本集團截至二〇〇一年十二月三十一日止年度之資本充足比率為20.6%，平均流動資金比率為50.9%。

存款業務

二〇〇一年底本銀行總存款微減0.2%，全年平均客戶存款則增長6.7%，由於資金缺乏出路，本銀行因應需求而吸收存

Operation Results and Financial Review

Given the declining economic growth and the extremely poor operating environment in the banking sector, the Bank's consolidated net profit for the year ended 31 December 2001, after making provision for taxation, amounted to HK\$845,827,000. Earnings per share was HK\$3.64, or a decline of 16.3% as compared with that for the year 2000. This came against a background of falling average loan-to-deposit ratio, narrowing interest rate spread resulting from severe pricing competition and the eleven interest-rate cuts implemented in tandem with the US, dragging down the Bank's interest income and returns on free funds. The control measures on interest cost exercised by the Bank have to some extent softened the interest margin pressure. Net interest income decreased by 10.8%.

Other operating income declined by 3.1% as compared with that for the year 2000. The local stock market, hard hit by the global economic recession, remained in the doldrums, causing a substantial contraction in income from securities broking and treasury operations.

Operating expenses rose by 9.2%, primarily due to the increase in depreciation expenses on the new teller platform system and credit card promotion expenses.

There has not been any significant change in the Bank's asset quality. Non-performing loans of HK\$1,055 million was similar to the level in 2000, representing 3.64% of total advances. Charge for bad and doubtful debts increased by HK\$24 million to HK\$114 million.

The Bank reported a decrease of consolidated total assets by 1.6% from the level at previous year-end. Return on average assets was 1.3%, return on average equity was 11.7% and capital adequacy ratio at 31 December 2001 stood at 20.6%. The average liquidity ratio for the year was 50.9%.

Deposits

Total deposits fell marginally by 0.2% as compared with that at 31 December 2000. Customer deposits increased by an average of 6.7% in 2001. In view of the slack loan demand in the market, our deposit strategy has been carefully formulated in line with

款，亦由於年內經過十一次減息之後，利率大幅下降，部份客戶將資金轉投於債券、信託基金等，以爭取較高收益。

截至二〇〇一年底本銀行已發行浮息存款證總值港幣十一億一千萬元，較上年減少18.3%，亦是因應資金需求而作出調節。

二〇〇一年七月利率協議管制完全撤消，由於借貸需求疲弱，銀行競爭存款未若預期之激烈，本銀行同時實施了港元儲蓄分層利率機制，有助於吸納更多儲蓄存款。

放款業務

二〇〇一年本銀行總放款微升2.6%，全年平均客戶放款則減少1.6%，各類放款當中，住宅樓宇按揭及銀團貸款均有所增加，而居屋按揭、個人信貸、稅務貸款及資產掉期(Asset Swap)也積極爭取，目的是盡量將資金分散，以求有較均衡的發展。

房地產放款在本銀行信貸業務所佔比重一向較大，在當前一片裁員降薪聲中，市民買樓信心薄弱，物業市道短期內難望回復昔日暢旺。同業間對樓按競爭仍未止息，本銀行仍會密切留意市場變動而調整經營策略，致力保持一定市場佔有率，期望經濟復甦會帶來轉機。

在經濟低沉及商貿活動減少底下，企業融資呈現退縮。年來本銀行也積極參與政府中小型企業的貸款計劃，期望能協助此類型企業獲取所需融資發展業務。

透過全資附屬永隆財務有限公司經營的租購貸款業務有良好進展，總貸款額增長近一成，平均收取利息亦較其他放款為高。

our funding requirements. Following the eleven interest-rate cuts, the local interest rate fell to an exceptionally low level, some customers therefore channelled their investment funds to bonds, unit trusts, etc, to earn higher returns.

As at 31 December 2001, floating rate certificates of deposit equivalent to HK\$1,110 million were issued, representing a decrease of 18.3% from that at 31 December 2000, in alignment with our funding requirements.

Given weak loan demand, competition for deposits was less severe than expected following the lifting of the interest rate caps in Hong Kong in July 2001. The Bank is able to attract new savings deposits with a new tiered interest rates structure for Hong Kong dollar savings accounts.

Advances to customers

At 31 December 2001, total advances to customers recorded a mild increase of 2.6%. Average loan balance declined 1.6% during the year. Residential mortgage lending and syndicated loans activities have been picking up and are on the increase. To achieve a more balanced loan growth, the Bank has diversified its loan book to Government's Home Ownership Scheme, personal loans, tax loans and asset swaps.

Residential property lending historically represents a significant proportion of the Bank's loan book. Currently, the property market has lost its vigor as homebuyers' sentiment shrank further amid massive lay-offs and wage cuts, while competition for such loans among banks continues. It is unlikely that the property market will improve in the near term. To this end, the Bank will be keeping a close eye on market development and revise our strategies to meet the changes in order to safeguard our market share and better position ourselves to reap the benefits when the economy rebounds.

In the face of unfavourable economic conditions and declining commercial activities, corporate financing activities shrank. The Bank has increased its participation in Small and Medium Enterprises loan facility initiated by the Government with the aim of giving them greater financial support for business development.

押匯

由於外圍經濟放緩，本港內部需求萎縮，進出口貿易呈現負增長，押匯業務與二〇〇〇年底比較，營業數字和收益均告下降。

外匯

外匯買賣收益亦告減少，外幣找換業務收益有所增加。自九八年以來，全球外匯市場參與交易的銀行減少，而電子交易平台的普及和歐元誕生，令整體外匯交易量縮減了，加上美元持續強勢吸引資金流入美國多於流出。預料外匯交投減縮及價格波幅收窄的趨勢短期內不會有大改變。

理財中心

理財中心自二〇〇一年五月成立以來，進展良好，因應客戶需求推出了多種投資工具供選擇，上月更在旺角分行增設九龍中心，就近照應九龍地區客戶需要。展望未來經濟放緩及低利率仍會維持一段時期，環球股市續呈疲弱，會令多些資金轉投於有較高回報的債券、基金及衍生投資產品。



信用咭

二〇〇一年信用咭業務與二〇〇〇年比較，續有進展。發咭總數、放出賬款均

The progress of our hire purchase and leasing subsidiary, Wing Lung Finance Limited, has been satisfactory. These advances grew by nearly 10% in 2001. This operation has generated higher average return than other types of loan products.

Bills

On the back of deteriorating external economic environment and contracting domestic consumption, Hong Kong's import and export trading activities endured a negative growth. At 31 December 2001, the Bank recorded a decline in both bills business turnover and income.

Foreign exchange

Income from foreign exchange operation decreased; whereas money exchange business grew slightly. Since 1998 the number of participants in the market has been on the decline. This, coupled with the popular use of electronic trading platform and the introduction of Euro, caused foreign exchange trading activities to contract. Excessive capital influx to the United States on the back of strong US dollar against other major currencies further exacerbates the already sluggish foreign exchange market. Exchange rates are expected to stay in tight range with contracting transaction volume, and this market environment is likely to persist for some time.

Wealth Management Centre

The Bank set up a Wealth Management Centre in May 2001 to deliver a wide range of investment products in response to customers' needs. The business of the centre progressed satisfactorily. An additional centre was set up in our Mongkok Branch in January 2002 to better serve our customers on Kowloon side. Although a low interest rate environment appears sustainable amid sluggish economy, the global stock market remained in doldrums, driving investment funds to some other relatively higher-yielding investment instruments, such as bonds, unit trusts, derivatives, etc.

Credit card

The Bank's credit card business progressed steadily in 2001, with an appreciable increase in the total number of credit cards

有所增加，與合作發行聯營咭的機構及與建立收單關係的商號，亦續有增加，惟撇賬比率上升至5.35%，較二〇〇〇年底之4.46%為高，主要因為經濟低迷持續，就業境況惡劣，欠款人有濫用破產程序逃避債務情形，致利潤受到侵蝕。雖然目前經濟境況欠佳，本銀行仍會持審慎和穩健原則致力擴大市場佔有率。

證券

永隆證券有限公司及永隆期貨有限公司分別提供各類證券及期貨買賣服務。二〇〇一年本港股市明顯回落，成交減少，且因實施免收客戶買入股票存倉費，證券業務收益減少，期貨業務收益則有所增加。估計未來市況仍會受本地和外圍因素影響而波動，而利率低企則會吸引多些資金投入市場。證券公司自去年十月起推出了「藍籌儲蓄計劃」，獲良好反應，會繼續設計及推出新產品，更新自動化服務，以迎合客戶需求。

保險

永隆保險有限公司及永隆代理有限公司分別提供承保及代理保險服務。二〇〇一年業務及盈利均有強勁增長，主要是多吸納了經紀及代理的生意。

二〇〇二年一月，永隆保險有限公司獲A.M. Best Co, Oldwick, N.J. 給予“A-”評級，顯示其有健全資本，營運狀況優良及在業內具卓越地位，對擴大承保業務有一定裨助。

本銀行與同業合組的銀和再保險有限公司、香港人壽保險有限公司、Professional Liability Underwriting Services Limited，業務先後順利開展，各類產品亦陸續推出市場銷售。當前競爭無疑仍甚激烈，惟憑藉各合夥人所擁有客戶基礎及分行網絡，相信很快便能在市場進佔一席位，提供長期而穩定收益。

issued and credit card receivables. The number of affinity card programs and merchant acquisition business are also on the increase. The deterioration in the economy, persistently high unemployment and the abusive use of personal bankruptcy proceedings by cardholders as a way out of their heavy debt burden caused the charge off ratio to rise from 4.46% in 2000 year-end to 5.35%, thus eroding profitability. Under poor economic environment, we will maintain a careful and prudent approach in expanding our credit card business.

Securities broking

Wing Lung Securities Limited and Wing Lung Futures Limited provide various securities and futures investment service. In 2001, the local stock market experienced a substantial downturn, and transaction volume shrank noticeably. This, coupled with the custodian fee waiver, caused the securities income to decline. Income from futures broking increased. The local stock market will remain volatile, affected by internal and external factors. It is hoped that on the back of low interest rate environment, there will be an influx of investment funds to the stock market. The Securities Savings Scheme which was launched in October 2001 received favourable market response. The Bank will further develop new products and electronic trading channels to meet the increasingly sophisticated customers' needs.

Insurance

The Bank's two insurance subsidiaries, Wing Lung Insurance Company Limited and Wing Lung Agency Limited, act as principal and agent respectively for a wide range of insurance services. Business volume and income from insurance operation registered a marked increase in 2001, attributable to the growth in brokerage and agency businesses.

In January 2002, A.M. Best Co, Oldwick, N.J., assigned to Wing Lung Insurance Company Limited a financial strength rating of A- (Excellent). We are pleased with this rating as it reflects the company's very strong capital position, strong operating performance and unique business profile, providing a favourable backdrop for underwriting business expansion.

The business of BC Reinsurance Limited, Hong Kong Life Insurance Limited and Professional Liability Underwriting Services Limited, the joint ventures with other banks, has

資訊科技

本銀行向IBM購置的最新型櫃員平台系統已於二〇〇一年四月開始分階段交付及安裝，至今已啟用的功能計有為適應利率協議全面解除而推行的存款分層付息系統，徵收各類服務費用系統，而整套高智能櫃員平台系統預期可於本年底之前全部完成及運作。



人力資源

在二〇〇一年十二月底，本銀行僱員總人數為1,239人，其中香港佔1,226人，國內佔5人，海外佔8人。

人力資源部經常有開設一些與業務及新產品有關的課程、資訊科技應用課程、專題講座等，以培訓和充實職員的知識和技能，或協助他們作持續進修，配合業務發展所需。

為符合各監管機構的有關指引，已計劃在本年投放更多資源支援職員持續專業進修及培訓，以確保有足夠合資格人員從事各類產品的銷售、推廣。

progressed steadily with various kinds of insurance products rolling out to the market. Price competitions among insurers remain severe. Given the support of the strong customer base of the partner banks, we expect a steady growth in market share. These joint venture businesses are expected to generate steady revenues in the long term.

Investment in information technology

The delivery and installation of the new IBM teller platform system is by stages starting from April 2001. Up to now, the deposit interest rate calculation system tailored for the tiered interest rates structure post deregulation and the service fees module have been successfully launched. The entire project will be completed by the end of 2002.

Human resources

At the end of December 2001, total workforce amounted to 1,239, including 1,226 locally, 5 in the mainland and 8 overseas.

Human Resource Department has been actively organising seminars and training sessions relating to bank operation, product knowledge, information technology and specialised topics with a view to providing continued training opportunities, and upgrading the skills and knowledge base of our staff so that they are better equipped to cope with business needs.

In compliance with the guidance notes for continuing professional training issued by the respective governing bodies, the Bank has allocated more resources to support staff continuing professional training and development. It is important to maintain a professionally qualified sales force to promote the Bank's products.